Power supply to Maharashtra by Dabhol Power Plant

4914. DR. AKHILESH DAS: Will the Minister of POWER be pleased to state :

(a) whether Dabhol Power Plant is being revived for augmenting power supply to Maharashtra;

(b) if so, the steps so far taken in this regard;

(c) the terms of the power purchase agreement, if any signed, revived or renewed with Government of Maharashtra and the extent of power supply expected from this power plant, indicating the areas to be served thereby; and

(d) whether Government of Chhattisgarh or other Chhattisgarh Power Plant has offered to supply power to Maharashtra and other neighbouring States; if so, on what terms?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) (a) : The Power Purchase Agreement (PPA) in regard to the Dabhol Power Project was entered into between the Maharashtra State Electricity Board (MSEB) and Dabhol Power Company (DPC). Thus, the responsibility to restart Phase-I and complete Phase-II of the project lies with the main stakeholders *viz.* MSEB and DPC as well as the Government of Maharashtra. The Indian Financial Institutions (IFIs) led by the Industrial Development Bank of India (IDBI), having substantial stakes in the Dabhol Power Project, have been trying to restructure and revive the Dabhol plant. Government of India has agreed to facilitate any amicable solution to the various issues in order to revive/restructure the project. Any scheme finalised for revival of the Dabhol project would come as a comprehensive package and would have to resolve complex, legal, financial and technical issues. While this may take time, as a first step, it has been agreed that an interim revival package for restarting Phase-1 be worked out by the concerned agencies.

(b) It has been decided that the National Thermal Power Corporation (NTPC) would act as the Operation & Maintenance Contractor for running Phase-I. At the instance of the Government of India (Ministry of Power), a team involving representatives from NTPC, M/s. GE India, M/s. Bechtel, IDBI, MSEB and Central Electricity Authority carried out a preliminary inspection of the Dabhol power plant from October 28 -30, 2002 to ascertain its condition and to work out an action plan for restart of phase-I.

(c) The original PPA in respect of the Dabhol power project provides for supply of power by both Phases of the project to the State of Maharashtra. Following disputes with DPC, MSEB rescinded the PPA on 23-5-2001 and stopped drawing power from the project with effect from 29-5-2003. As a part of the ongoing efforts to restart phase-I, Government of Maharashtra has taken a decision to allow MSEB to draw power from Phase-I (740MW) of Dabhol project at an optimum level of 83% at a tariff of about Rs. 2.80 / KWH on an interim basis subject to approval of the Maharashtra Electricity Regulatory Commission (MERC) and High Court of Maharashtra which has appointed a receiver for the project, and without prejudice to MSEB / Government of Maharashtra's rights and contentions in the pending arbitration/ judicial and MERC proceedings. Such a tariff level takes into account the current cost of naphtha (after remission of all Central & State levies and taxes) with the fuel cost being a 'pass through' item. The power supplied by Phase-I of the Dabhol project, after it is restarted, will be pooled in to the Maharashtra State Grid for supply to the consumers of MSEB.

For the proposed interim restart, the tariff model is based on the recovery on interest on debt at reduced rates (and without any provision for depreciation/ debt repayment).

(d) Neither the Government of Chhattisgarh nor any other Chhattisgarh power plant has offered to supply power to Maharashtra. Chhattisgarh State Electricity Board (CSEB) has entered into an agreement with the Gujarat Electricity Board (GEB) on 28-3-2002 and has been supplying power to GEB since October, 2001. Main terms of the agreement made are as below :—

i. The CSEB has offered to sell energy (being received through M/s. Jindal Steel & Power Ltd.) to GEB equivalent to 100 MW contracted capacity.

ii. The agreement shall remain operative upto the end of October, 2011.

iii. The energy to be sold by CSEB for the contracted capacity to GEB shall be charged at Rs. 2.60 / kwh ex Asoj Bus.

SEBs Dues to Railways

4915. DR. ALLADI P. RAJKUMAR: Will the Minister of POWER be pleased to state :